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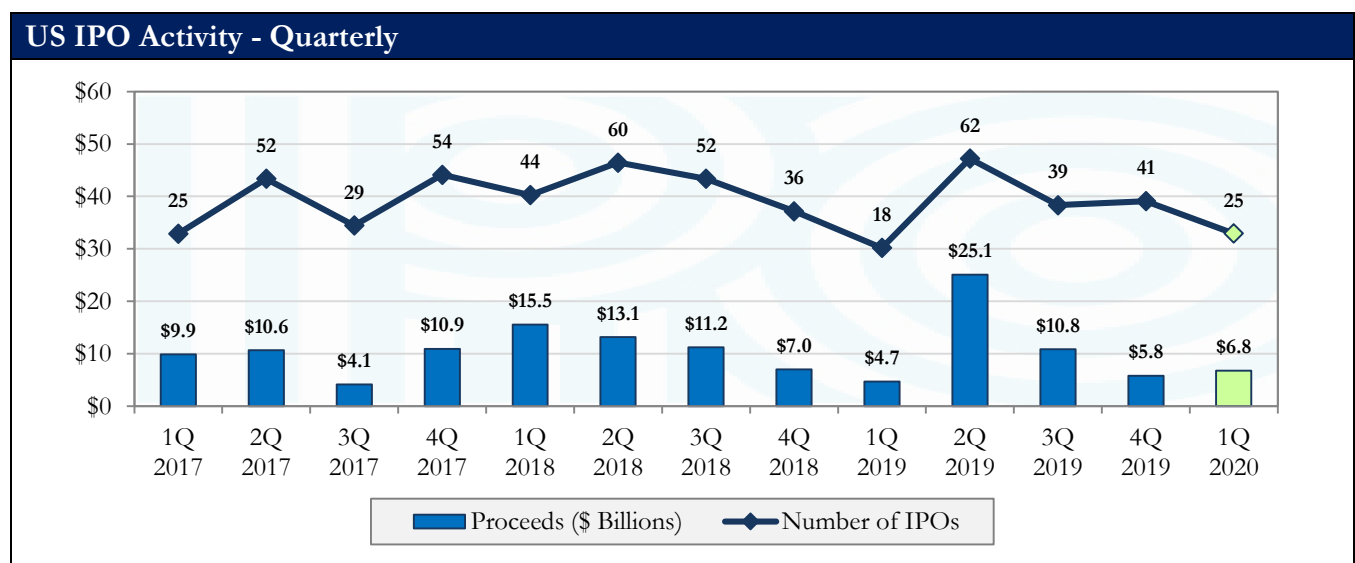
2020 IPO Boom Stopped Cold by Coronavirus Meltdown

The 2020 IPO market began with optimism and ended with the worst crash since the global financial crisis. 25 IPOs raised \$6.8 billion, with as many as 20 companies forced to shelve offerings when the IPO window slammed shut in early March, as the focus of investors and policy-makers shifted to a post-coronavirus paradigm. IPOs produced strong first-day pops in January and February, averaging a 17% gain, but the sell-off resulted in a -7% average return with about one-third finishing the quarter positive. Healthcare was both the most active and best-performing sector, accounting for half of all IPOs and averaging a 19% return, with drug development platform Schrödinger and health clinic One Medical performing well. In contrast, the consumer discretionary sector was weak, most notably represented by unprofitable online mattress retailer Casper. The US tech sector never got off the ground. Three billion-dollar LBOs were 63% of proceeds, including kitchen supplies giant Reynolds Consumer Products.

Volatility has essentially shut down the spring IPO market, with only a handful of biotechs and quarantine-friendly IPOs expected in the coming months. However, the pipeline contains more tech unicorns than ever, and our research shows that IPO buyers often see their greatest opportunities coming out of volatile periods as fundamentally strong companies need to price attractively.

Key Takeaways:

- 25 IPOs Raise \$6.8 Billion, Up from the 1Q19 but Below Expectations
- As Many as 20 IPOs Delay Due to Coronavirus
- Average IPO Returns Start Strong but Crater with Market
- Half of IPOs Are Healthcare as Biotechs Drive Activity and Outperform
- Three Billion-Dollar LBOs Raise 63% of IPO Proceeds
- Packed IPO Pipeline Now Awaits a Restart



Source: Renaissance Capital. Data includes IPOs with a market cap of at least \$50mm and excludes closed-end funds and SPACs.

About Renaissance Capital

Renaissance Capital is a global IPO investment adviser providing pre-IPO institutional research and management of the [Renaissance IPO ETF](#) (NYSE symbol: IPO) and the [Renaissance International IPO ETF](#) (NYSE symbol: IPOS). For more information, visit www.renaissancecapital.com.

To read the full 1Q20 IPO Market Review, sign up for a [free 7-day trial of IPO Pro](#), the platform that gives you the tools you need to track the IPO market.

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